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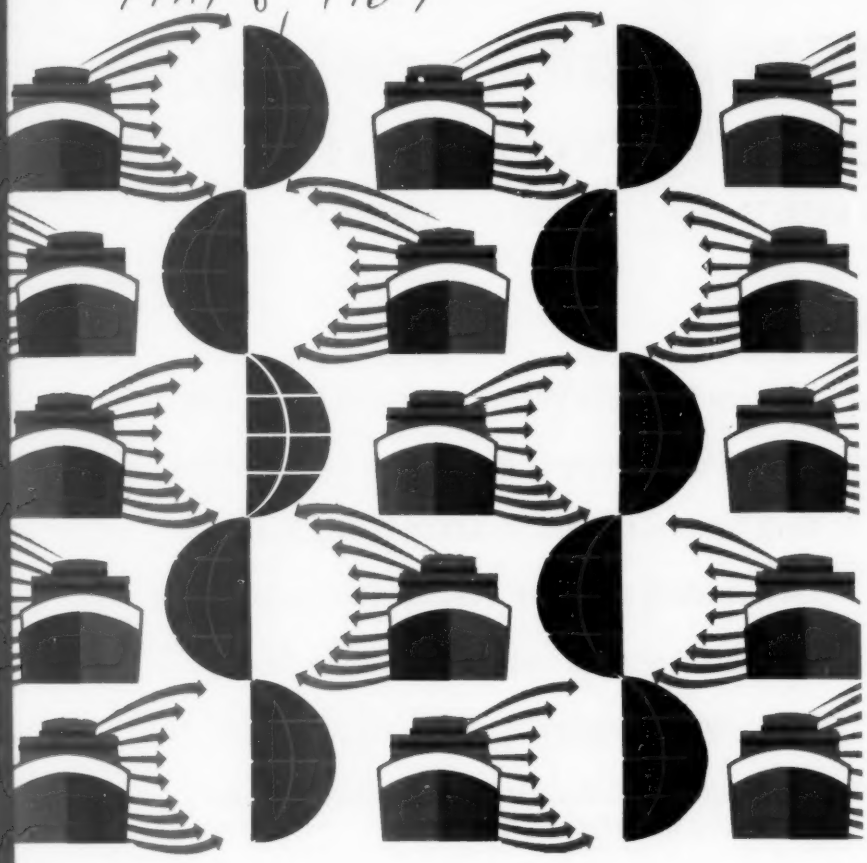

U.S. FARM TRADE WITH THE WESTERN HEMISPHERE

COTTON TEXTILE HIGHLIGHTS

THE NETHERLANDS AND WATER

MAY 26 1967

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FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

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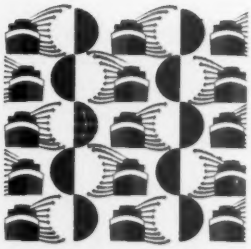

Foreign trade is symbolized by our cover this week. With Western Hemisphere nations agricultural trade alone reached $3.2 billion last year. See story on page 3.

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U.S. Farm Trade with Western Hemisphere Rose in 1966

Sharpest gains in U. S. agricultural exports to Western Hemisphere countries last year went to South America's Brazil, Chile, and Venezuela.

By ALYCE WOODARD
Foreign Regional Analysis Division
Economic Research Service

More gains took place last year in U.S. agricultural trade with Western Hemisphere countries and territories. According to preliminary estimates, U.S. agricultural exports to and imports from Western Hemisphere countries reached a grand total of $3.2 billion—7 percent higher than in 1965 and 112 percent of the 1960-64 average.

This gain, however, failed to pace that for nonagricultural products, and agriculture's share of total U.S.-Western Hemisphere trade dropped to 15 percent from the 16 percent for 1965 and the 19 percent for 1960-64. Moreover, the Hemisphere's share of all U.S. farm trade, at 29 percent, failed to increase from 1965 and was below the 31 percent for 1960-64.

Imports rise 8 percent, exports 6 percent

U.S. agricultural purchases from Hemisphere countries advanced 8 percent from the 1965 level to $2.0 billion, or 46 percent of all U.S. farm imports. This increase was due mainly to larger imports of sugar, bananas, meat and meat products, and cocoa beans, which along with coffee and cattle accounted for over three-fourths of the total. U.S. purchases of these products were as follows: Coffee, $756 million; sugar, $307 million; bananas, $179 million; meat and meat products, $160 million; cattle, $104 million; and cocoa beans, $57 million.

The value of U.S. agricultural shipments to Canada and Latin America was up more than 6 percent to $1.2 billion —only slightly less than the 1964 record and 17 percent of all U.S. farm exports. This level represented a $72-million increase over 1965 and $169 million over the 1960-64 average.

Leading U.S. exports—accounting for almost 60 percent of the total—were wheat and flour, $243 million; fruit and preparations, $145 million; vegetables and preparations, $105 million; corn, $96 million; and oilseeds, $91 million. Principal gains were in wheat and wheat flour and fruit, vegetables, and preparations.

Trade with Canada up slightly

Fifty-three percent of exports and 12 percent of imports represented Canada's share in U.S. agricultural trade with the Hemisphere. Both imports from and exports (including transshipments) to Canada continued a slight upward trend, rising 2 and 1 percent, respectively.

Five commodity groups made up two-thirds of total agricultural imports from Canada. These were cattle, $62 million; meat, $53 million; fruit, vegetables, and preparations, $20 million; feeds and fodders, $13 million; and barley and malt, $10 million. However, all declined in 1966 except feeds and fodders.

Canada is the leading market for U.S. farm products in the Hemisphere and during 1966 was second to Japan in the world market. U.S. farm exports to Canada last year were up to $626 million from an annual average of $529 million for 1960-64. Accounting for two-thirds of the total were fruit and preparations, $120 million; corn, $85 million; soybeans, $85 million; vegetables and preparations, $73 million; cotton, $30 million; and soybean cake and meal, $21 million. Fruit, vegetables, and preparations, and soybean cake and meal registered gains.

Trade with Latin America up, but Mexico down

U.S. agricultural trade with Latin America last year rose almost 10 percent, as a 13-percent increase in U.S. exports to the area overshadowed an 8-percent gain in imports from Latin America.

U.S. agricultural trade with Mexico amounted to $328 million for imports and $74 million for exports during 1966; imports were up $52 million from 1965, but exports were down $13 million. In 1966, Mexico accounted for 18 percent and 13 percent, respectively, of U.S. agricultural imports from and exports to Latin America.

Accounting for nearly 90 percent of U.S. imports from Mexico during 1966 were coffee, $57 million; sugar, $57 million; dairy products, $5 million; tobacco, $2 million; fruit and preparations, $35 million; meat, $25 million; and other vegetables and preparations, $17 million. Gains in exports to the United States were largely brought about by larger sales of sugar, strawberries, and fresh tomatoes.

Seven commodity groups made up about 60 percent of U.S. exports to Mexico in 1966. These were fruit, vegetables, and preparations, $11 million; hides and skins, $9 million; grains and preparations, $9 million; cattle, $6 million; dairy products, $5 million; tobacco, $2 million; and hops, $2 million. All declined except fruit, vegetables, and preparations.

New record for exports to Caribbean

The Caribbean supplied 9 percent of U.S. agricultural imports from Latin America and took 19 percent of the U.S. exports during 1966. Imports rose 11 percent to $164 million, owing mainly to larger shipments of sugar. U.S. exports to the Caribbean during 1966 amounted to $107 million—the highest ever attained. Increases in shipments to the United States were limited to the Dominican Republic, Jamaica, the Netherlands Antilles, and Bermuda, but the United States made significant gains in exports to most of the countries and territories.

Sugar and coffee accounted for almost three-fourths of U.S. agricultural imports from the Caribbean, with sugar amounting to $98 million, and coffee, to $23 million.

Accounting for over half of U.S. exports to the Caribbean were meat and meat products, $18 million; fruit, vegetables, and preparations, $14 million; wheat and wheat flour, $13 million; fats and oils, $10 million; corn, $4 million; and dairy products, $4 million. All registered gains except fats and oils and dairy products. Other im-

portant agricultural exports to the Caribbean included processed foods, tobacco, rice, and cotton.

More trade gains in Central America

U.S. agricultural trade with Central America continued to increase last year. U.S. imports from the area, at 18 percent of the Latin American total, climbed to an alltime high of $319 million—about $25 million greater than during 1965. Exports to the area were up 14 percent from 1965 to $61 million, reaching 7 percent of the total for Latin America. Imports were up from all the countries except El Salvador and Nicaragua, and U.S. exports increased to all but Costa Rica and the Canal Zone.

Three commodities—bananas, coffee, and sugar—accounted for nearly 90 percent of imports. Banana imports reached $129 million—$23 million more than during 1965 and $82 million above the 1960-64 average. Coffee imports dropped to $125 million, and sugar rose to $25 million.

First place in U.S. farm sales to Central America went to cereals and preparations, which totaled $25 million and accounted for 40 percent of such exports; these were followed by wheat and flour at $15 million. An additional 23 percent of the total went to shipments of fats and oils —at $8 million—and fruit, vegetables, and preparations —$6 million. All were up in 1966.

(Continued on page 15)

UNITED STATES AGRICULTURAL TRADE WITH HEMISPHERE COUNTRIES

Country and region	U.S. imports				U.S. exports			
	Average 1960-64	1964	1965	1966[1]	Average 1960-64	1964	1965	1966[1]
	Million dollars	*Million dollars*	*Million dollars*	*Million dollars*	*Million dollars*	*Million dollars*	*Million dollars*	*Million dollars*
[illegible]	180.0	175.8	254.2	240.1	529.3	613.1	619.7	626.0
[illegible]	260.2	292.3	278.9	327.6	67.6	75.5	86.8	73.5
Cuba[3]	70.8	4.6	2.6	1.6	22.8	0	0	0
Dominican Republic	109.6	111.1	98.9	116.4	13.3	28.8	24.2	21.4
Haiti	14.8	15.8	13.4	12.7	7.9	9.0	9.7	8.0
Jamaica	14.7	16.1	13.3	17.5	13.5	20.1	20.8	22.3
Trinidad and Tobago	7.9	5.9	7.1	4.7	10.2	10.3	9.5	11.2
Antilles (Neth.)	.1	(4)	.1	.3	9.1	10.3	9.8	11.1
Bahamas (Br.)	1.8	3.7	2.5	1.7	8.7	11.3	13.5	17.6
Barbados (Br.)	1.5	1.9	2.4	.6	1.9	1.9	2.0	2.7
Bermuda (Br.)	.1	(4)	(4)	(4)	5.5	6.0	6.1	7.0
Leeward & Windward Island (Br.)	1.1	.8	1.8	1.7	1.8	2.2	2.7	3.8
West Indies (Fr.)	6.9	6.2	6.9	6.7	.7	1.3	1.9	2.0
[illegible]	229.3	166.1	149.0	163.8	95.8	101.2	100.2	107.1
Costa Rica	39.5	50.3	54.3	57.0	5.5	6.6	6.1	5.8
El Salvador	34.3	38.9	43.9	37.9	6.8	8.3	8.1	9.4
Guatemala	57.6	57.8	62.0	76.8	10.0	10.9	10.8	12.8
Honduras	29.3	35.6	64.7	76.3	4.2	4.7	5.0	5.8
Nicaragua	25.1	29.4	31.1	24.1	4.5	7.1	7.2	8.2
Panama	16.4	25.2	36.8	45.0	10.6	12.1	14.5	17.0
British Honduras	1.7	6.1	1.8	2.1	2.0	2.2	2.3	2.4
Canal Zone	.2	(4)	.1	.2	.7	.5	0	0
[illegible]	204.1	243.3	294.7	319.4	41.3	52.4	54.0	61.4
Argentina	95.0	79.6	91.2	109.0	3.7	7.7	7.6	5.0
Bolivia	1.8	2.7	2.2	3.2	10.7	15.2	10.2	9.0
Brazil	481.1	471.2	413.3	483.7	100.0	147.1	59.3	101.2
Chile	5.5	7.4	6.1	7.0	27.2	31.0	31.6	41.0
Colombia	229.8	230.6	208.3	174.6	25.5	27.5	29.6	32.5
Ecuador	62.9	77.7	95.4	82.7	7.9	12.6	10.6	11.8
Guyana	6.2	5.1	4.1	7.0	3.5	4.1	3.7	4.8
Paraguay	6.8	8.9	10.9	10.1	2.9	3.6	1.4	2.6
Peru	78.3	69.9	75.3	77.1	24.4	35.9	33.9	37.2
Uruguay	15.8	9.2	26.9	22.9	7.7	3.6	1.9	2.2
Venezuela	19.5	19.8	17.7	22.4	79.6	83.5	75.9	82.0
Falkland Islands (Br.)	0	0	0	(4)	(4)	0	(4)	0
French Guiana (Fr.)	.1	.(4)	.1	(4)	.1	.1	.1	.2
Surinam (Neth.)	1.0	.1.1	.4	.7	2.6	3.1	3.1	3.6
[illegible]	1,003.8	983.2	931.9	1,000.4	295.8	375.6	268.9	333.1
Total Latin America	1,697.4	1,684.9	1,671.4	1,811.3	503.0	603.9	509.8	575.0
[illegible]	1,877.4	1,860.7	1,905.6	2,051.4	1,032.4	1,219.0	1,129.6	1,201.1
	Percent	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*
Agricultural percent of total	24	22	19	18	24	24	23	23
	Million dollars	*Million dollars*	*Million dollars*	*Million dollars*	*Million dollars*	*Million dollars*	*Million dollars*	*Million dollars*
Total world	3,896.8	4,082.4	4,087.5	4,491.7	5,363.1	6,345.0	6,228.6	6,884.6
	Percent	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*
Hemisphere percent of world	48	46	47	46	19	19	18	17

[1]Preliminary. [2]Includes export transshipments, mostly to Western Europe, estimated as follows in million dollars: 1960-64 average, $106.6; 1964, 159.8; 1965, 176.3; and 1966, $140.0. [3]U.S. trade embargo went into effect in February 1962. Subsequent exports were relief and prisoner shipments, and imports reflect tobacco released from bonded warehouses. [4]Less than $50,000.

Textile Industry Highlights

Cotton Use Up Slightly as Imports Show Substantial Rise

Greater textile activity in three West European countries and two in the Far East during the early months of the 1966-67 season has compensated for the depressed state of the textile industries in many of the West European countries.

An analysis* of some 16 textile-manufacturing countries shows that raw cotton consumption in this period was nearly 6.6 million bales (480 lb.), an increase of 1 percent from the same months of the preceding year. Finland, France, Hong Kong, India, and Italy used more cotton than they did the year before, and except for France, aggregate consumption in each of these countries is expected to be higher for the entire season than it was in 1965-66.

Also, in these early months of the current season cotton imports by the 16 countries reviewed were up sharply over those of the same months in the previous year, but were slightly lower than consumption. As a result, stocks—already at a low level—were further reduced. Rising prices for the better qualities of upland cotton, along with increased mill activity in several countries, suggests that cotton imports will be higher in the latter half of the season, and that stocks at the end of the year will be at least as large as at the beginning of the season.

Asian industries active

Hong Kong showed the greatest textile activity. Its mills were operating at capacity, and optimism was high in the industry. Part of this stems from a decrease in shipments of cotton textiles from Mainland China. Imports of raw cotton in the first 4 months (August-November) of the current season totaled 250,000 bales, a 16-percent increase over the same period in 1965-66. And in the August-February period U.S. cotton exports to Hong Kong totaled 120,000 bales, more than double the volume in these months in the previous season.

Another Asian country whose textile industry is doing well is Japan. An antidepression cartel formed in 1965 was effective in reducing textile production, thus allowing the burdensome stocks that had accumulated to be sold. This along with improved demand in both the domestic and export market ended the need for the cartel, and in recent months Japan's industry has improved markedly. Recent rises in offtake indicate that cotton consumption for the entire season will exceed the 3.2 million bales of 1965-66 by close to 100,000 bales. Cotton imports will probably increase in the latter part of the season; for the first 7 months those from the United States totaled 668,000 bales compared with 509,000 in the same 7 months the year before.

In India textile production is increasing to the extent permitted by the available supply of cotton. This country had a poor crop for the third year running, and scarce foreign exchange has limited its ability to import. Nevertheless, India's cotton consumption for all of 1966-67 is expected to total about 5.2 million bales, 200,000 bales over the depressed level of 1965-66. Imports to India were low in the first 3 months of the season, but have picked up and will probably exceed 700,000 bales compared with around 400,000 imported the previous season. Most U.S. shipments to India for use in the textile industry are under special government programs.

Italy leads in Europe

The brightest spot on the West European scene is Italy whose textile industry consumed 444,000 bales of cotton in the August-December 1966 period, 25 percent more than in these months the previous year. For the entire season, consumption will probably reach 1.1 million bales, establishing a post-World War II record. Raw cotton imports during these months were about the same as consumption; those from the United States totaled 82,000 bales compared with 51,000 a year earlier.

Finland might also set a new record for cotton consumption this year. During the first half of the season, Finnish textile mills used around 42,000 bales of cotton, a 10-percent increase over the same period in 1965-66, and if this continues the offtake would be the country's highest. Imports in the August-January period were a third larger than in the same months the year before. Most of Finland's cotton comes from the USSR under a bilateral trade agreement, but the United States supplies a large share of the remainder.

The French textile industry, operating extremely well during most of 1966, experienced a turndown along in December. Consumption at 750,000 bales in the August-February period was 5 percent above the previous year's, but because of the slackened activity it may not exceed last year's 1,235,000 bales for the entire season. However, imports from the United States during this period were 119,000 bales compared with 88,000 for those months in 1965-66.

Depression still hangs on

Throughout the rest of Western Europe the textile industries are either just about holding their own or declining. In the Netherlands raw cotton consumption at 142,000 bales, August-December 1966, was about the same as in the previous year, but the figure for the entire season will probably be below last year's. Switzerland also continued to use about the same amount of cotton, and for the season consumption is expected to aggregate around 185,000 bales as in the season before. Denmark started off the season by using 18,000 bales in August-February, only slightly below the 1965-66 total for those months, and may end the year with about the same as last season's total.

Portugal's cotton use at 180,000 bales in the first half of the season is down slightly, but may result in the year's use falling below the 385,000 bales used last season. Should this happen it would be the country's first decline in a decade. Austria's cotton use for the season may not exceed 110,000 bales (last season's total was 115,000

*This article is excerpted from a newly published report *Cotton Highlights in Selected Foreign Importing Countries*, which is available without charge from the Foreign Agricultural Service, U.S. Department of Agriculture, Room 5918, Washington, D. C. 20250.

bales), as consumption in the first half of the season dropped 8 percent.

Problems in Belgium

Far more serious is the textile situation in Belgium where many mills are working only part-time, and there is little prospect of an immediate upturn. West Germany's mills also have been operating at a greatly reduced level in recent months, and in the United Kingdom, where consumption in the first half of the 1966-67 season was down 10 percent, there is little relief in sight. Sweden's offtake continued to decline, and if it falls below the 91,000 bales used in 1965-66, this will be the seventh consecutive year that cotton consumption in that country has decreased somewhat.

On this side of the Atlantic, Canadian cotton consumption declined slightly following 2 years of full activity, but the principal cause of this was the prolonged labor strike that affected the largest textile company in the country. Some pickup has occurred, so that the total offtake for the season will probably be higher than the estimated 430,000 bales used last season.

World Output of Flaxseed Hits Lowest Level in 18 Years

World flaxseed production in 1966 fell to 121 million bushels—15 percent less than the above-average level in 1965, 8 percent below the 1960-64 average, and the smallest crop since 1959. Aside from the USSR, production declined in all major producing and exporting countries.

The total decline in the three major exporting countries —the United States, Canada, and Argentina—was 18.3 million bushels. These countries, plus India and the USSR, account for over 85 percent of world production. The crop was down in the United States, mainly because of lower yields. In Canada, an 11-percent decline in acreage and a 10-percent drop in average yields resulted in a smaller harvest. The Argentine harvest was also down because of reduced seedings—reportedly the result of low temperatures and lack of moisture—plus strong interest in wheat as an alternative crop. Drought during the growing season reduced yields; then excessive rains in December caused further damage and resulted in delayed harvesting.

Because of the reduced production in 1966, availabilities of flaxseed and linseed oil on January 1, 1966, for export and carryout in the three major exporting countries are estimated to have been the equivalent of about 65 million bushels of flaxseed. This was 12 percent less than estimated availabilities on January 1, 1965.

World exports of flaxseed and linseed oil in 1966 are estimated at 51 million bushels, seed-equivalent basis. This is 7 percent less than exports in 1965. Present indications are that exports will decline further this year, not only because availabilities were down 8 million bushels from last year, but also because of prospective reduced production this year in North America. On the basis of March 1 intentions of sharply reduced acreage, North American flaxseed output this year could be 7-10 million bushels less than the small 1966 crop.

The price situation

While Canadian and Argentine prices of flaxseed and linseed oil have been significantly below comparable prices last year, U.S. prices in recent months have been at last year's level or above. U.S. prices (basis No. 1, Minneapolis) through the first 6 months of 1966 were below those of the previous year, reflecting substantial availabilities from the large 1965 U.S. harvest. However, with prospects of reduced flaxseed production in 1966, prices moved up sharply in July and continued up through late 1966 and early 1967.

U.S. farmers' intentions as of March 1 were to seed 2,184,000 acres in flaxseed this year. This is 20 percent below seedings in 1966 and would be the smallest acreage seeded since 1938. Moreover, should these intentions materialize, it would be the fourth consecutive year of acreage reduction.

Decreases are expected in all producing states. North Dakota, the major producer with 60 percent of the U.S. total, expects to reduce acreage 16 percent. However, because flax can be seeded later than most crops, success in seeding other spring crops can affect the final flax area. If yields are about average with allowance for trend, the intended acreage could produce a crop of about 22.9 million bushels, a million bushels less than in 1966.

International Wheat Agreement Changed

The International Wheat Council recently agreed that the 1967 Protocol of the International Wheat Agreement will bring a new look to the functions and responsibilities of that world forum. Beginning August 1, and continuing for the next year unless renegotiated or superseded by another international agreement, the basic provisions of the IWA that have stood for the last 17 years will no longer be operative. However, pending the outcome of the cereals negotiations in the GATT Kennedy Round talks, the Council will continue as a viable body interested in international wheat affairs.

For the first time since August 1, 1949, when the initial IWA came into force, there will be no trade obligations among the parties to the Agreement. The Council, at its 48th Session on April 3-5 in London, decided to terminate those provisions of the agreement that pertain to the maximum and minimum prices at which wheat can move in world trade. The Council also decided that exporting members will be released from their obligation to supply wheat to importers, and the importers will no longer need to undertake purchases of a set quantity from member exporters. Only the administrative provisions of the IWA will remain.

Recognizing the value of having a forum where international wheat trade problems can be discussed and of having a reputable body responsible for collecting, compiling, analyzing and publishing information on world wheat trade, the IWC agreed that continuation of the Agreement in a limited form was better than no agreement at all. It was on this basis that the 1967 Protocol of the IWA was formulated.

The Netherlands and Water—From Too Much to Not Enough

By LOUIS M. SMITH, JR.
U.S. Agricultural Attaché, The Hague

Throughout history, the Dutch have worked diligently to hold back the North Sea from their low country, to get rid of river water, and to reclaim land. Need for protection and for more farmland once were the compelling forces behind this work. But today, it is the need for fresh water—more than anything else—that perpetuates the Netherlands historical struggle against the sea.

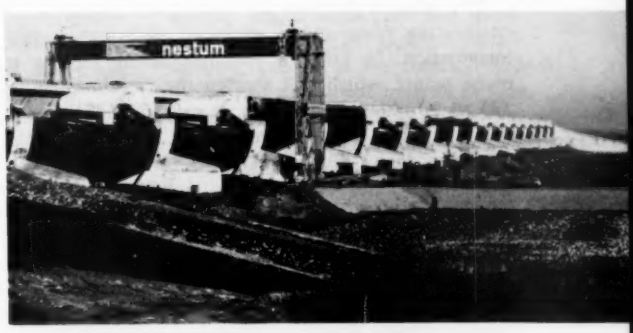
Much more fresh water must be made available if the Netherlands is to deal with its growing needs for drinking and recreational purposes, with its vastly increased industrial needs, and with its problem of gradually increasing soil salinization. All along the coast, from salt water carried in by the tide, salt is being deposited on the river, dock, harbor, and shipping channel bottoms and is also being carried into the soil under the dunes and dikes by seepage. The salt content of the soil and of ground water has begun to reach dangerous levels in many places. Consequently, major efforts are now being directed toward assuring adequate supplies of fresh water—even at the expense of land reclamation. Present work on the Zuider Zee/IJsselmeer project and the ambitious Delta Plan reflect this change in policy—as well as the hard lessons learned in the past.

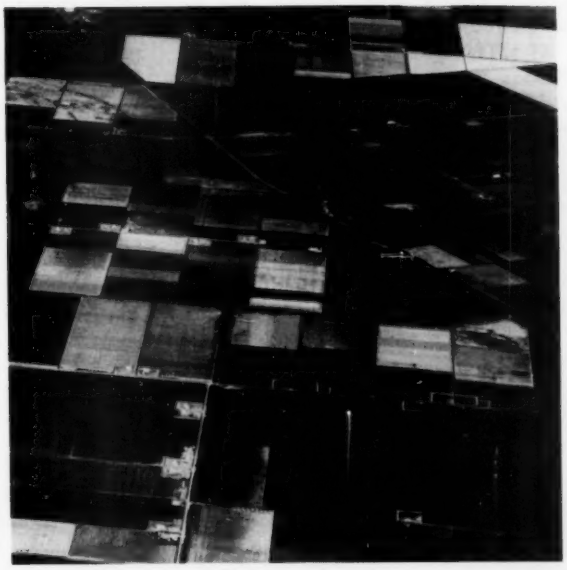
For more than 2,000 years—during wars and peace, depression and prosperity, while gaining and losing overseas possessions of vast wealth, and while trading throughout the world—the Dutch have carried on their land reclamation projects. (Even now, some 40 percent of the country is below sea level, and one-third of the total area of the Netherlands is covered by water.)

William of Orange in the 13th century directed the building of a large rectangular polder (an area of land which has been enclosed by dikes and then drained) in the Biesbos tidal marsh area southeast of Rotterdam. The polder was a magnificent engineering job for its time but lasted only a few centuries. Its planners had forgotten to allow for tidal effects during severe storm periods; and the Biesbos enclosure was destroyed during the disastrous Elizabeth's Day flood of 1421, when more than 10,000 lives were lost, The problem of dealing with major floods such as those of 1574, 1775, 1808, 1825, 1894, 1916, 1944-45, and 1953 continues today.

The Zuider Zee/IJsselmeer

The Dutch pondered the lesson of the Biesbos and continued their enclosure work, especially during the 17th century, with a number of small and medium-size polders. They looked at the Zuider Zee and other expanses of





Clockwise from right: Sluice gates of the Haring Vliet project; northeast polder of the Zuider Zee/IJsselmeer works; and 18½-mile dam which closes off the Zuider Zee (now the IJsselmeer) from the North Sea.

water with a questioning eye, planned, and worked.

The Dutch finally closed off the Zuider Zee in 1932 with a dam of more than 20 miles in length, which shortened the coastline—and thus the need for dikes—by some 200 miles. Behind this dam is the present IJsselmeer, a lake that is steadily shrinking in size as polders are closed off and in chloride content (now less than 200 milligrams per liter of water, compared with the former 2,000 milligrams of the Zuider Zee.)

Original plans for the IJsselmeer called for five large polders to be built in the area of the former sea, yielding over 500,000 acres of land for agricultural purposes. It now seems, however, that one or more of these polders (near Amsterdam) will be used largely for residential and industrial sites and for recreational purposes. This appears to be the first major instance of a change in the historical policy of only reclaiming land for farming. It results from recognition of the needs of rapidly growing population, with a density already near 1,000 persons per square mile, and the vastly increased industrialization of this former agricultural country.

The Delta Plan takes shape

During internment in a World War II prison camp, one of the leading Dutch engineers worked on plans for enclosing the Delta of the Rhine, the Maas, and the Scheldt Rivers. In 1953, following the terrible floods of February 1 which cost the lives of more than 1,800 people, the 25-year Delta Plan was inagurated.

This plan, scheduled for completion in 1978, boasts engineering feats and a projected cost that stagger the imagination. In brief, it requires closing off the sea at seven points, which will shorten the coastline from some 325 to 30 miles. In addition, it calls for strengthening of the remaining sea dikes and for building a number of upstream dams, dikes, and canals to allow diversion of fresh water as needed from one branch of the Rhine to another. Almost incidentally, it involves dredging out some previously reclaimed land to facilitate harbor and industrial operations.

Harnessing the Haring Vliet

One of the largest and most difficult operations of the Delta Plan is taking place in the Haring Vliet esturary, which now carries 55 percent—and will eventually carry 65 percent—of the water discharged by the Rhine and Maas Rivers.

Across the estuary, a dam some 3 miles long (and having sluices, locks, and a highway) is being built. This dam is subject to the normal river and tidal flows of widely varying intensities, and provisions must be maintained for navigation of small vessels and for discharge of large amounts of drift-ice.

This temporary closing of the estuary's main channel has led to sharply increased rates of flow through the secondary channel, which has already deepened from 33 to 66 feet and which will also have to be closed eventually. Thus, there are severe construction problems.

What the Dutch are doing here might be compared to building the pyramids on an offshore drilling rig. A rectangular dike (or coffer dam) was built in the middle of the river to form a 200-acre polder. Water and a lot of earth were pumped out of the enclosure, leaving an island whose surface is some 50 feet below water level.

On this island, 17 sluices totaling (with abutments) over 3,400 feet in length have been built. These sluices will soon start picking up the daily flow of water through the Haring Vliet, relieving the pressure on the area at each end, where dams must be placed to "tie" the sluice complex to the shores on the north and south.

The resultant structure will resemble a belt, with a buckle (the sluice complex) slightly off center. Navigation locks for small vessels will be provided in the southern dam section. An overhead cableway will be used to dump material to form the northern dam.

This Haring Vliet project is expected to be completed within the next 3 years or so.

Other projects on the drawing board

A number of the main dams in the Delta system have already been completed, but the last major dam to be built (across the Oosterscheldt) is considered to be quite a problem, and the Dutch haven't yet decided how to solve it. They are testing and replanning as they go, so as to have the answer ready when they get around to this final barrier. After that, further serious thought will be given to yet another monumental project—connecting the offshore Frisian Islands to the mainland.

U.S. Imports of Palm Oils Spiral Upward

Increased availabilities and lower prices led to a sharp expansion in U.S. imports of palm oils last year.

Takings of palm kernel oil rose one-third from the 1965 level to a new high of 54,679 short tons. Increased purchases from traditional supplier, the Congo (Kinshasa), and a large initial purchase from Nigeria accounted for most of the increase. In these and other African countries, increased crushing facilities have led to some shift from exporting palm kernels to shipping the oil.

Imports of palm oil, at 38,000 tons, were over 10 times the 1965 figure and more than double the 1955-59 average. Virtually all the increase was in takings from Indonesia, Malaysia, and Nigeria, while imports from the Congo (Kinshasa), former major supplier, increased slightly but accounted for only a minor portion of the total. Increased supplies, lower prices, and smaller supplies of cottonseed oil were the major factors behind this expansion.

U.S. IMPORTS OF PALM AND PALM KERNEL OILS[1]

Origin	Average 1955-59	1964	1965[2]	1966[2]
	Short tons	*Short tons*	*Short tons*	*Short tons*
PALM KERNEL OIL				
Germany, West	.....	3,357	6,788	1,102
Netherlands	3,091	11,930	18,268	16,349
Congo (Kinshasa)	20,669	25,041	11,695	18,390
Nigeria	0	0	0	5,420
Japan	1	1,604	3,224	2,524
Others	2,095	632	1,574	[3]10,894
Total	25,856	42,564	41,549	54,679
PALM OIL				
Belgium-Lux	119	62	0	99
Congon (Kinshasa)	14,822	2,338	1,170	1,487
Nigeria	111	0	0	3,104
Indonesia	1,144	728	2,008	23,565
Malaysia	[4]172	0	0	9,679
Others	179	0	100	10
Total	16,547	3,128	3,278	37,944

[1]Crude and refined. [2]Preliminary. [3]Includes 4,798 tons from South Africa and 3,604 from other West Africa. [4]Federation of Malaya.

U.S. Department of Commerce.

Market development case study

U.S. Raisin Program in Japan Leads To Bigger Imports

In the 4 marketing years 1962 through 1965, California's raisin industry was able to increase Japan's annual imports of California raisins from 11,772 to 19,281 tons—moving Japan to the top of the list of importing countries. As late as the 1957-60 period, Japan's raisin imports from California had averaged only 508 tons per year because the Japanese Government restricted imports of raisins from the United States. In early 1961, in response to U.S. Government pressure, Japan removed import restrictions.

The instrument used to accomplish this increase in a country where raisins have never been a common diet item was a market development program carried out by the California Raisin Advisory Board.

Goal set for 1976

"This program, of major importance to the California raisin industry, must now be considered successful," according to Henry J. Andreas, the Board's manager. "It will be completely successful, however, only when we've achieved our 10-year goal of shipments to Japan of 40,000 tons a year in 1976—a per capita consumption of 0.7 pound, instead of the 0.35 pound of 1966."

Japan is one of the 10 foreign countries in which the California raisin industry has market development programs underway. It is probably the most important of the 10 for several reasons. Among these are: The Japanese population is large; use of raisins in Japan is relatively small.

Overseas market development programs are vital to the future of the raisin industry in California, whose production now averages about 250,000 tons per year. Only 160,000 tons per year are distributed through regular domestic channels and government programs. Annual per capita raisin consumption in the United States has averaged about 1.6 pounds in the past several years.

"Besides continuing our efforts to maintain and increase domestic consumption, we must develop world markets," says Manager Andreas. "The United States must gain a firm position in markets, such as Japan, that have the highest potential. And quality, price, and promotion must hold those markets against competition from Australia, Greece, Turkey, Iran —and soon—South Africa."

Master pattern for programs

The program in Japan follows the same pattern that CRAB uses to shape all of its overseas market development programs. The Board works closely with the U.S. agricultural attaché in each country selected for market development activities in all phases of planning and carrying out the program for that country.

In each target country, a Board representative develops the program in four major steps. He (1) determines a budget; (2) appoints an advertising agency in the country; (3) names a trade committee in the country to contribute ideas and advice; and (4) prepares a comprehensive

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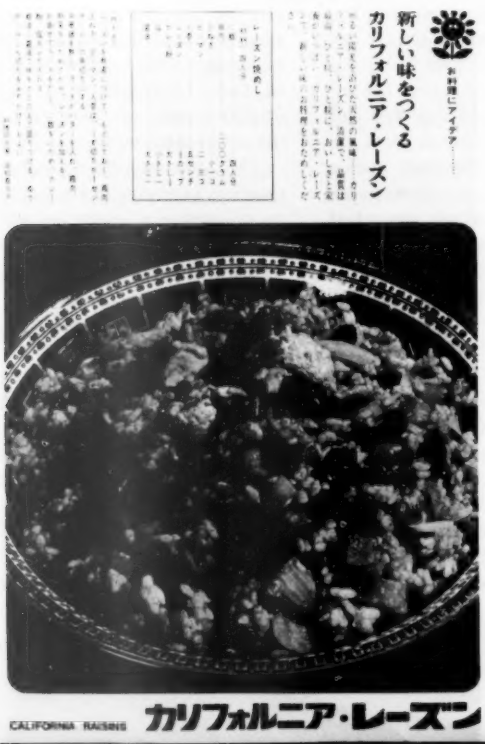
This article was prepared by the staff of the California Raisin Advisory Board, an FAS cooperator in overseas market development.

Full-color recipe sheet, below left, is distributed at consumer events. In cartoon ad, right, raisins replace little girl's lost ice cream, leading vendor to switch from plain to raisin bars.



plan for further counsel by that committee. When this plan is worked out to the satisfaction of the Board representative and the Committee, it undergoes further review by the Board's advertising committee, the full Board, and Foreign Agricultural Service in Washington, D. C., before it is put into effect.

Possibly the two most important steps in program development are the selection of the advertising agency and the appointment of the trade committee. The committee must be representative of importers, wholesalers, brokers, and retailers if it is to counsel effectively and properly.

Another important aspect of program development is the system of control established—and maintained—by CRAB. The Board requires monthly reports on public relations activities and quarterly reports on all other activities. The Board's manager reviews these reports thoroughly to see if program goals are being pursued effectively and for information on which to base recommendations for further action.

Last year's program in Japan

Typical of CRAB overseas market development programs was the one in Japan for fiscal year 1966. This program aimed at a 1,500-ton increase in sales to Japan during the year; sales actually increased by more than 4,000 tons.

The activities that made up the program were directed chiefly toward the household consumer and the institutional consumer. Some were also directed to the distribution trades.

For wide reach at greatest economy, the program emphasized public relations efforts. Recipes, comments, and photos were sent monthly to some 100 newspapers and weekly magazines; 35 to 40 percent of this material was used.

Advertising—another important program activity—was directed to both consumers and the trade. The consumer advertising was concentrated in the October-through-May period.

Twenty-eight full-color, full-page advertisements ran in four housewives' magazines, two magazines for young women, and one magazine for teenage girls. These ads emphasized recipes and featured appetite-appealing pictures. Another 24 ads in black and white ran two at a time in the housewives' magazines. These one-third-page ads ran on facing pages, one ad stressing out-of-hand consumption and use of raisins in home cooking, the other emphasizing bakery products.

To reach children, eight full-color, full-page cartoon ads were carried in two weekly magazines. Another 22 full-column ads ran in 5 trade papers. One trade paper also carried a series of full-page black-and-white ads.

Still another facet of the 1965-66 program was participation in three major Japanese exhibitions—the Tokyo International Home Show, the All Japan Federation of Bakers Association Trade Exhibition at Nagoya, and the Southern Exposition in Kochi. Brochures and recipe books were distributed at all three exhibitions, the latter containing both oriental and occidental dishes.

In October 1965, trade relations were strengthened by a presentation of the full year's program to 80 Japanese leaders in raisin marketing. This meeting, held at the U.S. Trade Center in Tokyo and co-sponsored by the U.S. Embassy in that city, was so successful that such presentations are now scheduled annually. The trade also receives a quarterly report of information tailored to its interests.

The budget for Japan has been generous enough to allow research that has helped identify marketing problems and opportunities, thereby pinpointing targets with greatest potential.

For example, research findings have indicated that more consumer-directed programs emphasizing end uses of raisins would be effective. Consequently, in 1966-67 young adults and children are the targets of stronger promotion of out-of-hand consumption. This promotion is nationwide, with emphasis on the Kanto (Tokyo-Yokohama) and Kinki (Osaka-Kobe-Kyoto) regions.

This year, also, bakers throughout Japan are learning more about U.S. production and marketing techniques for raisin baked foods. Early this year, two experienced bakers were brought to the United States for 2 weeks of study by CRAB, in cooperation with FAS and the All Japan Federation of Bakers Association. These bakers have returned to Japan and are passing on what they learned in this country to groups of bakers through illustrated seminars.

Sizable Sales Result From Well-Attended Frankfurt Show

A report from Frankfurt shows that a large segment of the West German food industry was represented at last month's exhibit of American processed foods at the U.S. Trade Center there, resulting in sizable sales and plans for future promotions.

The exhibit drew more than 500 key trade members, with many coming back a second and even a third time. Attendance peaked the first 2 days of the 10-day exhibit and again toward the end. According to observers, this rise toward the end resulted from favorable word-of-mouth and media publicity. In addition to newspaper coverage, the event was the subject of a special 10-minute broadcast by a large regional radio station and a daily interview program aired over the Armed Forces Network.

Among the 72 exhibitors of over 400 American specialty food products, the consensus was that the exhibit served as a headquarters where prospective buyers came to them with inquiries and orders. One exhibitor registered more than 50 potential customers. Another reported doing over $20,000 in business during the show, and a third sold more than $9,000 worth of orange juice, assorted nuts, and shrimp.

Both new business and support for in-store promotion plans resulted from meetings of European food-chain executives, representatives of the U.S. Agricultural Attaché office, exhibit officials, and German importers. Beginning September 25, a wholesaler who supplies about 80,000 retailers is planning to hold a 2-week promotion of U.S. foods. A food chain with 30,000 member stores is also considering an in-store event.

The wide attendance and favorable reaction were proof of growing interest in convenience foods in West Germany, where more and more housewives are working outside the home.

U.S. Wheat in Indian Film

Movie-goers throughout India saw the U.S. supertanker Manhattan arrive at the port of Madras with 103,000 tons of U.S. wheat, sold to the country for Indian rupees under Title I of Public Law 480.

The tanker's arrival was featured in the "Indian Newsreel," a film produced weekly by the government.

The Changing Vocabulary of International Agricultural Trade

The world's trade in farm products is growing. So is the number of the terms that must be understood by those who need to read or write about that trade. Responding to this need, FAS has expanded and updated its publication *Terms Used in International Agricultural Trade*, first issued in October 1963.

The new compilation (FAS-M-152 Revised), bearing the same name, has 105 pages against the previous one's 64, and its entries number some 575 compared with the 400-odd of the first version. Both by adding new entries and cross-references and by revising and expanding old entries, the compiler—Harry W. Henderson of FAS—has taken note of many changes in the world trade picture.

For example, the new version presents a 2½-page account of the evolving common agricultural policy of the European Economic Community, including a CAP timetable that shows the effective dates of the various commodity CAP's and the date envisaged for the common pricing of each commodity group. In the first version, the CAP was covered in 11 lines.

The new version also describes EEC plans for financing the CAP structure, which—as the study points out—"had caused a major political and negotiating problem." A new entry covering CAP terms clarifies much of the complex EEC language.

The new book clearly reflects events of the past 3½ years in its revisions of outdated entries such as "Communist Bloc" and "Soviet Bloc." Timely too are a detailed new entry on African countries and islands; terms characteristic of the Kennedy Round, such as "montant de soutien," "disparities," "exceptions," "table" (in the special negotiations sense of "bring forward"), and "confrontation and justification"; and concepts that are new or newly important, such as "pacification" (referring to rural development in South Vietnam).

A number of new or expanded entries take the form of essays—some short, some extensive. Subjects treated in this way include the Canadian Wheat Board; the compensatory withdrawal or suspension of trade concessions; containerized shipments; conversion factors; cotton arbitration boards; the EEC grain import control system; excess foreign currencies; export control of U.S. agricultural products; export services; offer lists; quantitative restrictions; the Long-Term Cotton Textile Arrangement; the Meat Import Law of 1964; ocean cargo insurance; the Sugar Program of the United States; tariffs, duties, and levies; the U.K. bilateral grains agreements; U.S. export financing; the Food for Freedom program; the World Food Program; and world prices.

The Livestock and Meat Industry of Mexico

Livestock trade between Mexico and the United States moves across the border, for the most part, with a minimum of restraint. The direction of trade is mainly dependent on such factors as price and transportation costs; however, temporary changes in the supply situation may also have some effect on the direction.

Right now, U.S. imports of Mexican feeder cattle are high, but it is likely that Mexico's domestic demand will increase faster than its production, with a consequent curtailment of exports to the United States.

These are some of the facts about and forecasts for Mexico's livestock industry in the recently issued FAS publication *The Livestock and Meat Industry of Mexico*.

The study is one of a series designed to help the U.S. Department of Agriculture and the American livestock industry keep informed of developments in meat and livestock exporting countries. The report was prepared as a result of the author's visit to Mexican livestock producing areas.

According to the report, Mexico has ranked in third to fifth place among U.S. beef and veal suppliers in the 1960's. A favorable price situation in the United States in 1965, coupled with a lack of rain in northern Mexico, resulted in a sharp gain in U.S. imports of Mexican feeder cattle as compared with 1964. These imports were large also in 1966.

However, the potential for increasing beef and veal production in Mexico to meet the growing domestic and foreign demand tends to be somewhat limited, and its realization a long-term objective at best. If Mexico adopts more good conservation and range management practices and introduces improved grasses, there will be some increase in the carrying capacity of its pastures.

For further details, a copy of this publication may be obtained by writing to FAS Publications Service Branch, Room 5918-S, U.S. Department of Agriculture, Washington, D. C. 20250.

Report on the Hops Industry of the United Kingdom

The United Kingdom—one of the oldest hops producers in the world and today the third largest—is second only to the United States in production efficiency among major producers. The relative size of both output and usage in the United Kingdom gives hops production there special potential for a world market in which demand is extremely inelastic and supplies have fluctuated widely.

This is the report of the author of FAS's recent publication *The Hops Industry of the United Kingdom*, which discusses in detail hops production, marketing, supply, and distribution in the United Kingdom.

Information on this subject is vital to the U.S. industry, especially in light of the United Kingdom's possible entry into the European Economic Community, where it could compete on favored terms with U.S. hops. Also, the recent passage of a marketing order for American hops places a premium on making available information on other major markets and marketing systems.

For further details about the U.K. industry, copies of this publication may be obtained by writing to FAS Publications Service Branch, Room 5918-S, U.S. Department of Agriculture, Washington, D. C. 20250.

British Agricultural Minister Expresses Opinion On U.K. Membership in European Community

"Retail food prices in Great Britain would be from 10-14 percent higher, production costs would go up for many farmers, and our balance-of-payments situation could worsen."

With these words Britain's Minister of Agriculture Frederick Peart painted a somewhat dim future for British agriculture should the United Kingdom join the European Economic Community.

Peart made these comments before members of the West Cumberland Productivity Association where he spoke recently on some of the difficulties and advantages which would face British agriculture upon full U.K. membership in the EEC.

Peart confirmed earlier statements that while he fully supported the government's probe into possible membership, his prime goal is to strengthen British agriculture. "Whether we join the Community or not," Peart said, "import savings based on increasing productivity is a sound agriculture policy for this country."

Higher food prices

Peart cautioned that a move away from Britain's current system of agricultural support would cause interruptions in the traditional trade patterns with Commonwealth suppliers which have long enabled British consumers to buy their food cheaply.

"Upon EEC membership," Peart added, "consumers would have to pay the full cost of home-grown food at Community prices. Also, consumers would have to meet an additional increase in food prices to protect the internal Community market."

Peart went on to say that the increase in the cost of retail food would undoubtedly have repercussions on price and wage structure and could increase the cost of living in Britain from 2½-3½ percent.

Referring to EEC membership as it would directly benefit or hurt U.K. farmers, Peart mentioned the difficulties involved in abandoning the traditional support system of deficiency payments in favor of the EEC system. "While the problems of adjustment are not insurmountable, prices which the various Common Agricultural Policy techniques are designed to protect are, for the most part, targets which have no assurance of being reached."

Peart told the group that the EEC's intervention arrangements for certain products—while beneficial to some—is a support measure that would not apply to all U.K. farmers, specifically producers of pigs, eggs, and poultry.

Livestock would suffer

Under the Common Agricultural Policy, Peart cited that producers' returns for wheat would be about 40 percent higher and for barley, 25 percent. But while cereal growers would benefit, livestock producers who cannot depend on domestic production alone for their needs would feel the bite of high prices for imported cereal.

According to Peart, this would have a substantial effect on the cost of livestock output and the price of livestock products, milk in particular.

The problem of Britain's balance-of-payments situation was also discussed by the Minister of Agriculture. He said that adoption of the Common Agricultural Policy would mean that U.K. food imports would either have to come in at the higher Community price levels or be subject to import levies. EEC regulations stipulate that 90 percent of levy proceeds on imported commodities are paid into an operating fund for the Community.

Since the United Kingdom imports more than twice as much as the largest importer in the Community—Germany—the British contribution to the fund would be larger than that of the other members. Peart stated "the overall effect on our balance of payments, on the basis of present world and EEC prices, would cost Britain from $490 million to $700 million."

Annual Review would go

Membership in the Community would also eliminate the Annual Review system, through which the government releases a yearly report on its agricultural policy. (For a review of this year's Review and Minister Peart's comments on it see *Foreign Agriculture*, April 17, 1967.)

Peart added "the EEC Commission has instituted arrangements for collecting information about the state of agriculture across the Community, but it is not clear how far this data will go beyond an annual report to provide guidance for general decisions concerning the Community."

Brazil's Agricultural Exports Up Sharply Last Year

Five of Brazil's major agricultural exports produced an aggregate gain of $135 million in the country's 1966 export total of $1,746 million. The increase in value of all exports during this period came to $151 million, with the five agricultural products accounting for 89 percent of the net gain over 1965.

Coffee exports during 1966 rose 10 percent in value to $770 million, largely because of a strong drive on the part of Brazil to meet International Coffee Agreement quotas. The Brazilian Coffee Institute pushed export sales this year partly to offset competition from quota overshipments of other nations, some in violation of the Coffee Agreement.

Sugar exports were increased by 40 percent to $80 million—mostly the result of a larger U.S. quota. Exports of cotton rose 15 percent to $111 million; and cocoa beans gained 89 percent to $51 million. Credit for larger cocoa and cocoa butter exports goes to firm prices for beans and a good producing year.

Pakistan's Exports Hit Record

Larger shipments of jute manufactures caused the value of Pakistan's exports to reach a record $605 million in 1965. The export price for jute products has been rising in recent months, and shipments to foreign markets this year are expected to show further gains. Exports of cotton, textiles, nuts, and quar gum have also increased.

Imports, on the other hand, declined in 1966 to $897 million from the $1,043 million of 1965. Machinery, wheat, fertilizer, and soybean oil are some of the leading imports.

Part of the decline took place in imports of wheat and wheat flour, which fell from 1.7 million tons in 1965 to slightly less than 1.3 million.

U.K. Lard Imports Increase

British imports of lard during January and February of this year rose about 19 percent from the same period a year earlier.

Belgium remained the No. 1 supplier, accounting for nearly 30 percent of total imports and the United States followed with 27 percent. Gains over the 1966 period were recorded for both countries. Romania was the only other country showing a significant increase; major decreases were recorded by Poland, France, the Netherlands, and Italy.

U.S. lard exports in 1967 are increasing over 1966, as greater supplies are available making U.S. lard more competitive in the world market.

U.K. LARD IMPORTS, JANUARY-FEBRUARY

Origin	1966		1967	
	Quantity	Percent of total	Quantity	Percent
	1,000 pounds	*Percent*	*1,000 pounds*	*Percent*
Belgium	13,557	24.2	19,677	29.6
United States	10,581	18.9	17,916	27.0
Romania	1,422	2.5	9,474	14.3
Denmark	3,688	6.6	4,502	6.8
Poland	5,128	9.2	3,909	5.9
France	5,726	10.2	3,728	5.6
Germany, West	1,718	3.1	3,030	4.6
Netherlands	4,216	7.5	2,286	3.4
Italy	6,406	11.4	706	1.1
Sweden	783	1.4	685	1.0
Switzerland	1,042	1.9	200	.3
Others	1,747	3.1	303	.4
Total	56,014	100.0	66,416	100.0

Henry A. Lane and Co., Ltd.

West German Imports of Oilseeds and Products

West Germany's imports of oilseeds and oilcake and meal rose substantially in 1966, as a result of increased use of high-protein feeds. Oilseed imports reached 2.4 million metric tons, compared with 1.9 million in 1965, and imports of oilcake and meal increased by 530,000 tons to 2,402,000. Vegetable oil imports declined.

Soybeans and soybean meal dominated the increase in 1966 imports. Soybean imports reached a record 1,690,000 tons (1,292,000 in 1965), accounting for 70 percent of total oilseed imports. Almost 1.6 million tons were imported from the United States (1.2 million in 1965). Imports of peanuts, copra, and flaxseed increased moderately.

Soybean meal imports reached a high of 755,000 tons, an increase of 285,000 over 1965. Imports of U.S. soybean meal totaled 594,000 tons, accounting for 236,000 tons, or 83 percent, of this increase. Other imported oilcakes and meals increased in total by 245,000 tons in 1966. Peanuts, copra, and sunflower cake and meal showed gains of about 60,000 tons each. Linseed meal imports dropped.

Vegetable oil imports of 424,000 metric tons declined from the 1965 level of 457,000 tons to about the 1964 level. Whale and fish oils followed a similar pattern: 113,000 tons in 1966, 120,000 in 1965, and 117,000 tons in 1964. The sharp decline in cottonseed oil imports, due primarily to reduced availabilities of U.S. cottonseed oil, was offset in part by increased imports of peanut and sunflower oils.

WEST GERMANY'S IMPORTS OF SELECTED OILSEEDS, OILS, AND OILCAKE MEAL

Item	1964	1965[1]	1966[1]
	1,000 metric tons	*1,000 metric tons*	*1,000 metric tons*
Oilseeds:			
Cottonseed	.6	9.4	4.1
Peanuts[2]	46.0	56.3	75.0
Rapeseed	32.2	100.9	91.2
Soybeans	1,404.6	1,291.9	1,690.1
Sunflowerseed	29.2	32.7	27.8
Copra	278.9	242.5	288.9
Palm kernels	131.1	125.9	123.9
Castorbeans	32.9	31.5	33.9
Flaxseed	41.5	42.9	83.6
Total	1,997.0	1,934.0	2,418.5
Oils:			
Cottonseed	73.7	79.1	25.9
Peanut	42.1	49.1	64.4
Soybean	12.5	11.8	8.1
Sunflower	57.0	69.1	99.3
Coconut	47.6	55.3	35.5
Palm kernel	13.3	102.6	114.9
Palm	110.9	14.5	15.7
Linseed	68.2	75.5	60.3
Whale and sperm	50.9	50.3	35.7
Fish[3]	66.1	70.7	77.0
Total	542.3	578.0	536.8
Oilcake and meal:			
Cottonseed	141.6	187.6	214.0
Peanut	112.3	111.6	177.9
Rapeseed	41.3	43.4	49.6
Soybean	336.6	470.2	755.2
Sunflower	39.1	51.1	110.5
Copra	284.8	320.5	382.7
Palm kernel	219.5	217.9	247.7
Linseed	233.6	286.2	239.1
Other	119.8	183.2	225.0
Total	1,528.6	1,871.7	2,401.7

[1]Preliminary. [2]Shelled basis. [3]Excludes liner oils.
Compiled from official and other sources.

Suez Shipments of Tung Oil Decline

In calendar 1966, northbound shipments of tung oil through the Suez Canal totaled 20.0 million pounds, compared with 24.5 million in 1965 and 22.3 million in 1964. In January 1967, shipments amounted to 776,000 pounds, compared with 1.9 million in the previous January. Shipments were virtually all from Mainland China and moving to European countries.

Average prices for Chinese tung oil, c.i.f. European ports, on April 6 were equivalent to 12.125 U.S. cents per pound, compared with 19.625 cents a year ago. The marked decline reflects sharply increased availabilities from Argentina and Paraguay.

Tung Oil Shipments From Buenos Aires

Shipments of tung oil from Argentina and Paraguay through Buenos Aires during August-February 1966-67 amounted to 38.3 million pounds, or more than double

shipments in the same months a year ago.

Based on record availabilities and exports to date, aggregate tung oil exports from Argentina and Paraguay for the entire marketing year are expected to be significantly above the 1963-64 record of 57.2 million pounds.

TUNG OIL SHIPMENTS FROM BUENOS AIRES[1]

Origin and destination	January	February		Aug.-Feb.	
	1967[2]	1966	1967[2]	'65-66	'66-67[2]
	Mil. lbs.	*Mil. lbs.*	*Mil. lbs.*	*Mil. lbs.*	*Mil. lbs.*
Argentina:					
To United States	0.7	1.2	0.8	5.1	5.8
To other countries[3]	3.6	.5	3.3	5.1	16.9
Total	4.3	1.7	4.1	10.2	22.7
Paraguay:					
To United States	1.8	1.3	.7	8.2	10.2
To other countries[3]	3.0	....	.1	.2	5.4
Total	4.8	1.3	.8	8.4	15.6
Total:					
To United States	2.5	2.5	1.5	13.3	16.0
To other countries[3]	6.6	.5	3.4	5.3	22.3
Grand total	9.1	3.0	4.9	18.6	38.3

[1]Presumed to represent virtually all the tung oil exported from Argentina and Paraguay. [2]Preliminary. [3]Largely to West European countries.

Compiled from shipments data, *Boletín Marítimo,* Buenos Aires.

Canadian Rapeseed Supplies Continue Large

Canada's 1967 rapeseed crop is unofficially forecast at about 570,000 short tons—11 percent below the record 1966 crop of 637,500 tons but more than three times average annual production during 1956-60. This forecast is based on the official planting intentions of March 1, 1967, (1,424,000 acres) and an average yield of 16 bushels (800 lb.) per acre. In 1966 the acreage was 1,388,000 with an average yield of 18.4 bushels (919 lb.) per acre.

CANADA'S SUPPLY AND DISTRIBUTION OF RAPESEED[1]

Item	Average 1956-60	1964	1965	1966[2]	1967[3]
	1,000 short tons	*1,000 short tons*	*1,000 short tons*	*1,000 short tons*	*1,000 short tons*
Supply:					
Stocks, Aug. 1	8.0	22.0	37.8	84.1	146.6
Production	185.5	330.8	565.0	637.5	569.6
Total supply	193.5	352.8	602.8	721.6	716.2
Distribution:					
Exports:					
Seed	134.0	230.9	340.8	350.0	.....
Oil (seed basis)	2.5	1.0			
Apparent domestic consumption	44.5	83.1	177.9	225.0	.....
Stocks, July 31	12.5	37.8	84.1	146.6	.....
Total distribution	193.5	352.8	602.8	721.6	.....

[1]Marketing years beginning August 1. [2]Preliminary and partly estimated. [3]Unofficial forecast based on March 1 planting intentions of 1,424,000 acres and an average yield of 16.0 bushels per acre.

Compiled from DBS Trade of Canada and other sources.

Despite the decline in production, total supplies for the crop year beginning August 1, 1967, are estimated at the 1966-67 level. This reflects anticipation of substantially larger carryout stocks on July 31, 1967. Domestic disappearance has risen markedly in the last 2 years, and further expansion of domestic crushing seems likely.

Because of reduced yields resulting from fungus diseases, particularly in northwestern Manitoba, crop breeders are working to produce varieties with higher resistance to fungus.

Through March 29 of the current season, farmers' rapeseed marketings totaled about 13.4 million bushels (340,000 tons) compared with 16.1 million (402,500 tons) in the same period last year. Strong export demand combined with smaller deliveries, resulted at times in relatively small stocks at west coast ports. On March 31, the Wheat Board removed the quota on rapeseed deliveries at country points. Thus, with improved weather, the rate of farm deliveries of rapeseed is expected to increase soon.

Prices at Winnipeg during August-February 1966-67 averaged Can$2.78 per bushel, or 7 percent above the Can$2.60 in the comparable months of 1965-66. During the current period, prices improved from the October low of Can$2.66 per bushel to February's Can$2.84, but they still averaged 3 percent below the high level of the 1964-65 period.

CANADIAN RAPESEED EXPORTS

Destination	1962	1963	1964	1965[1]	1966[1]
	Short tons	*Short tons*	*Short tons*	*Short tons*	*Short tons*
United States	702	381	3,133	119	141
Belgium-Lux.	2,783	.....	.....	1,696	8,369
Finland	.....	.....	2,245	.....	.....
France	8,550	.....	.....	.....	.....
West Germany	14,783	241	232	22,646	21,710
Italy	90,407	19,223	3,265	48,126	60,288
Netherlands	31,284	2,772	9,341	22,429	40,005
Spain	.....	.....	1,003	152	28
United Kingdom	1,775	1,820	2,296	8,922	4,055
Czechoslovakia	.....	.....	.....	15,184	.....
Poland	.....	.....	.....	9,921	.....
Algeria	12,225	13,888	.....	.....	.....
Japan	52,308	114,738	62,491	114,556	194,498
China, Taiwan	.....	2,204	4,235	.....	.....
India	.....	.....	2,800	.....	.....
Pakistan	.....	.....	.....	22,462	19,842
Total	214,817	155,267	91,041	266,213	348,936

[1]Preliminary.

Compiled from official and other sources.

Canadian rapeseed exports in calendar 1966 increased to 348,936 tons or 82,723 above the previous high quantity exported in 1965. Most of the increase moved to Japan, which accounted for 56 percent of the total. Trade sources report that Canadian rapeseed sales to Japan could exceed 250,000 tons this year. Movements to the Netherlands also increased substantially, while those to other European countries, in aggregate, declined.

Sharp Reduction Seen for Brazil Nut Crop

Early reports indicate that the 1967 Brazil nut crop (from Brazil only) will be sharply below last year's record-tying crop of 55,000 short tons. Early estimates for the current crop ranged from 22,000 to 35,000 short tons in-shell basis. Because of a substantial carryover of old-crop nuts into the current season, it has been difficult to set accurate information on the new crop, but it is preliminarily estimated at 35,000 tons.

Brazil's exports during 1966 totaled 49,600 tons in-shell basis, with the United States buying over half and the United Kingdom over one-fourth of the total. During the current year, exports will be down sharply, but because of

the heavy carryover of 1966-crop nuts, shipments will probably exceed production.

Forecast for South African Dried Fruit

South Africa's production of dried fruit in 1967 may be a shade higher than in 1966, though quality might be lower because of the increased rain during the 1967 drying season. Production gains are forecast for dried prunes, peaches, and apricots, while declines are in sight for raisins and dried pears.

Exports of raisins and pears are expected to be lower as a result of the shorter supply, while those of apricots, peaches, and fruit salad will probably increase. Exports of prunes, other than those included in fruit salad, will continue to be negligible. Exports of dried currants and apples are also negligible.

SOUTH AFRICA'S DRIED FRUIT PRODUCTION

Item	1965	1966	Preliminary 1967
	Short tons	*Short tons*	*Short tons*
Apples	100	150	150
Apricots	1,450	1,050	1,400
Currants	950	800	900
Peaches	2,150	1,250	1,900
Pears	600	850	750
Prunes	2,650	1,450	2,000
Raisins	9,700	10,900	9,500
Other	200	100	100
Total	17,800	16,550	16,700

SOUTH AFRICAN EXPORTS OF DRIED FRUIT

Item	1965	1966	Forecast 1967
	Short tons	*Short tons*	*Short tons*
Apricots	950	1,050	1,200
Peaches	650	550	600
Pears	100	300	250
Raisins	3,500	5,350	4,000
Mixed fruit	1,050	1,400	1,500
Other	50	50	50
Total	6,300	8,700	7,600

Australia Harvests Its Quota of Flue-Cured

Unofficial estimates place Australia's 1967 tobacco harvest of flue-cured tobacco at about the quota figure of 26 million pounds from about 24,000 acres. The 1966 harvest slightly exceeded the quota, totaling some 27.3 million pounds.

Under the 1966 sales program, quota leaf (26 million lb.) sold for the equivalent of 130 U.S. cents per pound. Over-quota and sub-quality leaf was priced much cheaper, averaging about 46 U.S. cents.

Austria's Tobacco Imports Up Slightly

Austria's imports of unmanufactured tobacco in 1966 totaled 27.7 million pounds, compared with 26.9 million in 1965. Larger purchases from the United States, Bulgaria, Turkey, Greece, and Poland offset smaller takings from Rhodesia and the Philippines.

The United States was the biggest source of Austria's tobacco imports last year. At 5.6 million pounds, purchases of U.S. leaf represented 20 percent of the total.

AUSTRIAN TOBACCO IMPORTS

Origin	1964	1965	1966
	1,000 pounds	*1,000 pounds*	*1,000 pounds*
United States	4,429	5,369	5,566
Bulgaria	3,420	3,749	4,617
Rhodesia, Zambia, Malawi	3,232	5,030	2,796
Turkey	956	1,658	2,782
Greece	2,874	2,139	2,301
West Germany[1]	698	2,827	2,250
Poland	.....	1,475	1,937
Brazil	1,829	477	900
Hungary	463	646	720
Japan	267	286	653
China (Mainland)	.....	.....	592
Yugoslavia	375	441	558
Albania	.....	.....	440
Philippines	1,841	1,970	438
Indonesia	274	71	422
Thailand	4	.....	222
Others	1,646	796	529
Total	22,308	26,934	27,723

[1]Mainly re-exports.

East Pakistan's Jute Millworkers Strike

During the first 7 months of fiscal 1967, exports of jute goods from Pakistan rose to 254,676 long tons, from 211,668 the year before. A jute millworkers' strike, however, is currently affecting exports, and Pakistan may lose weekly $1.58 million in foreign exchange.

Many feel, however, that these earnings will be deferred and not lost. After the strike is settled, it is expected that mills will work overtime to make up lost output.

U.S.-Western Hemisphere Trade

(Continued from page 4)

During 1966, U.S. agricultural imports from South America totaled $1 billion. Up 5 percent from 1965 and approximating the 1960-64 average, these imports claimed 55 percent of the Latin American total. The big gain, however, came in U.S. farm exports to South America, which climbed 24 percent from 1965 and 13 percent from the 1960-64 average and represented 61 percent of total sales to Latin America. Import increases were registered from all countries and territories, except Colombia, Ecuador, Paraguay, Uruguay, and French Guiana; exports rose to all but Argentina, Bolivia, and the Falkland Islands.

Coffee accounted for more than half—$551 million—of U.S. imports from South America. Purchases of sugar, the second largest commodity by value, rose from $88 million in 1965 to $127 million during 1966, owing to an increase in sugar quotas and prorations for South America. Other important imports were wool, meats and preparations, bananas, and cocoa beans. All showed gains except coffee and bananas.

U.S. exports to South America during the past year totaled $333 million. Wheat and flour were in first place at $178 million, or 53 percent of the total. Other commodities—accounting for 21 percent of exports—were fats and oils, $28 million; dairy products, $16 million; and fruit, vegetables, and preparations, $26 million. Export gains largely reflected increased shipments of wheat and flour and fruit, vegetables, and preparations.

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Highlights of the Agriculture and Trade of South Korea

Resources:—South Korea is about 250 miles long and covers 38,000 square miles; it has a total population of over 28 million. Mountains and hills, intricately dissected by small, narrow, winding valleys, comprise about two-thirds of the total area. There are no extensive lowlands, but there are areas of relatively fertile land bordering the principal rivers and along the coast in the west and south. These are the most favorable sectors for agriculture.

South Korea has a continental climate marked by cold, dry winters and hot, humid summers. Usually the amount and distribution of rainfall are adequate for satisfactory crop growth; however, variations cause distress to farmers. Rice production is sometimes affected by early droughts, which delay transplanting, and by late droughts, which interfere with crop growth.

South Korea's rugged terrain restricts the amount of land which can be cultivated, but there have been moderate increases in the agricultural land base in recent years. Bench terracing carried out by modern machinery, combined with the massive use of labor, has rendered some extra cultivable land from steep hills. Smaller additions have been gained by reclaiming land from the sea. In general, however, the land available for crops is fixed, and future increases in production must come from increased multiple cropping and greater use of fertilizer, pesticides, and irrigation.

Agriculture:—Agriculture provides employment for 65 percent of all employed persons in the country. The average farm family consists of six people, and land holdings are very small—most farms are less than 5 acres.

Rice is the principal crop, accounting for almost half of all food crops produced. Production is concentrated in the provinces bordering the Yellow Sea on the western side of South Korea and in the southeastern part of the country. Typically, rice is sown in seedbeds in early May, transplated in mid-June, and harvested in late September and October.

Production of barley, the second most important food crop in Korea, has moved up sharply in recent years. Two principal barley varieties are grown, common and naked. Naked barley has a higher food value than common barley, but has lower yields per acre. Barley is consumed mainly as a rice substitute and has traditionally been the basic food of the very poor. As incomes rise, there is a tendency for barley consumption to decline as consumers switch to rice.

Other important food crops grown in South Korea are sweetpotatoes, vegetables, white potatoes, fruits, and wheat. The important commercial crops are tobacco, cotton, and hemp.

Food situation:—South Korean consumption of food has increased more than domestic production of food crops. About 15 percent of the total foods consumed is imported, mainly under U.S. aid programs.

There are no current estimates of daily per capita caloric consumption, but it may be assumed to be between 2,100 and 2,300 calories. Household expenditure surveys indicate that the lowest-income families spend 79 percent of income on food and beverages, and that the highest-income groups spend 54 percent.

Foreign trade:—South Korea's foreign trade expanded greatly during the 1960's. Imports consistently exceeded exports, and although exports have risen sharply since 1960, a large import balance persists.

The United States and Japan are South Korea's chief trading partners. Principal Korean products moving to the United States are veneer and plywood, raw silk, garments, and cotton textiles.

United States exports to South Korea in 1965 totaled $200 million. Agricultural products accounted for $95.8 million, down about $17 million from the previous year. Principal U.S. exports to South Korea are cotton, wheat and wheat flour, tallow, anhydrous milk fat, and nonfat dry milk.

Factors affecting trade with the United States:—One of the goals of South Korea's Second Five-Year Plan (1967-1971) is self-sufficiency in food by 1971. If successful, this would eliminate a major source of U.S. sales to South Korea. U.S. sales to Korea of wheat and wheat flour alone in 1965 amounted to $38.5 million. Losses in this sector of agricultural trade, however, could be made up largely through increased sales of raw cotton and processed and packaged goods not produced in Korea.

—WILLIAM J. C. LOGAN
Foreign Regional Analysis Division, ERS